REMARKS

The Official Action has been carefully considered and the Examiner's comments are duly noted. For the sake of the record, it is noted that Claims 3, 7, and 10 have been cancelled. Claims 1, 5, and 9 have been amended to include the subject matter of the cancelled dependent claims. The Claims now in this Application are 1, 2, 4 to 6, 8, 9, 11 and 12.

Claims 1 to 12 were rejected under 35 U.S.C. 103(a) as being unpatentable over Hiyama (JP 09098227A) in view of Stovall (US PAT. 6,144,724) and Skigin et al. (RU PAT. 2,105,425) (hereinafter "Skigin"), and Applicant respectfully dissents from this rejection and wishes to point out that all of the Claims now in this Application clearly and patentably distinguish over all of the reference of record taken either singularly or combined in any valid combination and in particular over the three aforesaid references regardless of the manner in which they are combined.

Clearly, <u>Hiyama</u> does not teach the conversion to and from digital signal adapted to the clock frequency of the local network. <u>Stovall</u> does appear to teach the conversion of the signal to and from the digital signal adapted to clock frequency of the local computer network, but the Examiner does not appear to be correct in the first line of page 4 of the Official Action. Clearly, there is no clear or present teaching in <u>Hiyama</u> of the disclosure of a telephone network for a structured sight at shown in figure 1, and the further comments of the Examiner clearly do not render the newly Amended claims unpatentable.

The subject matter of Claims 3, 7, and 10 which have been cancelled and incorporated into the independent Claims provides a clear solution whereas <u>Stovall</u> does not provide the proposed solution.

The Inventor/Applicant respectfully disagrees with the Examiner and submits that Skigin does not decide the problem or explain the problem or teach the solution to the problem to join the telephone set direct to the bus of the LAN. <u>Skigin</u> and <u>Hiyama</u> and Baratz use the computer of LAN to decide this problem.

The Examiner's attention is respectfully directed to the solution of <u>Skigin</u> (see abstract). 9 is a computer network; and 8 and 15 are computers. 9, 8 and 15 form a computer network. Computers 8 and 15 of the computer network are used to phone from telephone set 1 to telephone set 10.

The patent Examiner will, of course, recall the <u>Baratz</u> solution (US 5,752,596; see Office Action of July 01, 2002). <u>Baratz</u> has a solution to convert a signal to and from a digital signal adapted to the clock frequency of the local computer network.

Skigin and Baratz have different solutions but they both use computers of the computer network.

Skigin and Baratz do not have any solution to join telephone sets directly to the bus of the LAN.

The Inventor/Applicant cannot understand or appreciate the Examiner's reason for citing <u>Stovall</u>, nor the basis to include <u>Stovall</u> as part of prior art. <u>Stovall</u> is an additional reference in the Office Action. The claimed invention was not described in application for <u>Stovall</u> (see 35 U.S.C. 102(c)), and the Examiner's further comments and information on this basis would be appreciated.

It is noted that the Examiner cited a new patent <u>Stovall</u> for the first time, U.S. Patent 6,144,724. <u>Stovall</u> was never cited against the subject matter of cancelled Claims 3, 7, and 10, but was cited against Claims 1 and 4. With regard to the present invention, the incorporation of the subject matter of Claim 3 into Claim 1 removes <u>Stovall</u> as a reference, and Claim 4 has now been amended so as to include the limitation of cancelled Claim 3. The same can be said about Claims 8 and 11.

Moreover, the combination of Stovall and Hiyama references and the modification of Hiyama by Stovall does not provide for the connection of the computers at their transmitting and receiving ends. It is only Hiyama that provides for computers and may have a transmitter and receiver but there is no teaching in Stovall of using it through a telephone general network. All Stovall is concerned with is a location type of unit, whereas the present invention is concerned with both location and transmission to another remote unit. It should be noted that Stovall is concerned with transmission of data and voice signals between a digital network and a public switched telephone network at a single location. By rendering the Claim more limited with respect to a local and remote location, there is no clear understanding or suggestion anywhere in Stovall and/or in Hiyama as to how the two can be combined to arrive at the specific modification suggested by the Examiner. Since Hiyama was readily available, and Stovall made his invention, if Stovall had any appreciation that this could be extended to a system of Hiyama, it is conceivable that Stovall would have, and possibly could have, mentioned this in the specification of his disclosure.

What the Examiner has done is to make a piece meal selection of different portions of the technology from unrelated systems.

While <u>Stovall</u> may teach a network interface micro controller to permit telephones to communicate with each other without computers, <u>Stovall</u> has no appreciation that such a system will also work.

Clearly, there is also no motivation nor suggestion in either <u>Skigin</u> or <u>Hiyama</u> as to how they can be combined.

It is the Examiner's position, as noted in the middle of page 5, that it would have been obvious to a person of ordinary skill of the art at the time the invention was made to modify the combination of the Japanese Patent of <u>Hiyama</u> and <u>Stovall</u> to have the telephone adapter with a structure as sought by <u>Skigin</u> because it provides new opportunities for signal transmission and reception using general purpose equipment. It

should be noted that it is the present inventor who achieved this concept because both <u>Hiyama</u> and <u>Stovall</u> were known, and <u>Stovall</u> was aware of <u>Hiyama</u> and <u>Stovall</u> did nothing in his application to combine the teaching of <u>Hiyama</u> and <u>Skigin</u> with his own teachings, and therefore if it would have been so obvious, it would have necessarily been the next step that <u>Stovall</u> could have taken in connection with his Patent Application.

In view of the foregoing, it is respectfully submitted that this Application with the newly Amended Claims are considered to be allowable over all of the reference of record and allowance of this Application is respectfully solicited.

If there are any points outstanding, the Examiner is respectfully asked to call Applicant's attorney in order to do what is necessary to place the Application into condition for allowance.

Early and favorable reconsideration of this Application, together with the allowance thereof, is respectfully solicited.

If any fees are needed, please charge them to our Deposit Account 50-3108.

Respectfully submitted, LACKENBACH SIEGEL, LLP Attorneys for Applicant(s)

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